IN THE

Supreme Court of the United States

OCTOBER TERM, 1979

No. 79-473

WORLD CARPETS, INC., et al.,

Petitioners,

versus

ARMSTRONG CORK COMPANY, et al.,

Respondents.

ON PETITION FOR A WRIT OF CERTIORARI TO THE
UNITED STATES COURT OF APPEALS
FOR THE FIFTH CIRCUIT

BRIEF FOR RESPONDENTS IN OPPOSITION

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INDEX

Table of Authorities

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Argument

World Carpets' Petition for Certiorari is constructed on the imaginary premise of conflict among the circuits. The supposed conflict centers around the legal standard applied in determining the issue of trademark infringement. World Carpets agrees that in the opinion below: "The Court of Appeals correctly stated the controlling issue in a trademark infringement case to be whether the alleged infringer's name is likely to cause confusion (15 U.S.C. §1114).* (Petition, p. 6).

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* 15 U.S.C. 1114(1) imposes liability for use of a colorable imitation of any registered mark if such use "is likely to cause confusion or mistake or to deceive".

But World Carpets goes on to contend that in certain situations, namely "when a newcomer to a trade or a product area is involved", the likelihood of confusion standard does not apply. In these so-called "newcomer" cases, the standard urged by World Carpets is the "avoidance of all possible confusion" (Petition, p. 7). Moreover, World Carpets argues that in the Second, Fourth and Seventh Circuits, avoidance of all possible confusion by the newcomer has in fact replaced the likelihood of confusion standard. Thus, a conflict is claimed to exist with the Fifth Circuit decision below which relies on the statutory standard of likelihood of confusion.

In support of its conflict theory, World Carpets points to four decisions in the Second, Fourth and Seventh Circuits. But a review of these four opinions indicates that, in each case, likelihood of confusion was the governing standard:

The Fourth Circuit states in *AMP Inc.* v. *Foy,* 540 F.2d 1181, 1185-6 (4th Cir. 1976):

> ". . . the test is *'likelihood* to confuse'. Mere possibility of confusion is not sufficient." [Emphasis supplied].

The Second Circuit states in *Harold F. Ritchie, Inc.* v. *Chesebrough-Pond's, Inc.,* 281 F.2d 755, 758 (2d Cir. 1960):

> "In this circuit and others, numerous decisions have recognized that the second comer has a duty to so name and dress his product as to avoid all *likelihood* of consumers confusing it with the product of the first comer." [Emphasis supplied].

The Seventh Circuit opinion in *G.D. Searle & Co.* v. *Chas. Pfizer & Co.,* 265 F.2d 385, 387 (7th Cir. 1959) is to the same effect. The Court confirms its previous decisions holding:

> ". . . the test under the statute, 15 U.S.C.A. §1114(1), is *likelihood* of confusion." [Emphasis supplied].

and further:

> "Thus, it is clear that the test is *likelihood* of confusion and not the quantity of actual confusion." *Id.* at 388. [Emphasis supplied].

Even the pre-Lanham Act 1927 Seventh Circuit opinion quoted by World Carpets unequivocally applies the likelihood of confusion standard:

> ". . . infringement of a trademark [occurs] . . . if one adopts a trade-name or a trademark so like another . . . that one . . . is *likely* to become confused or misled." *Northam Warren Corp.* v. *Universal Cosmetic Co.,* 18 F.2d 774, 775 (7th Cir. 1927). [Emphasis supplied].

Thus, the very cases relied on by World Carpets belie its claim to a different standard of confusion among the Circuits.

Armstrong does not dispute that the phrase "avoiding all possibility of confusion" is also found in the cited opinions. However, these references do not indicate abandonment of the likely confusion test. They are merely another way of saying that where bad faith is involved, a court will be quicker to find likelihood of confusion. In *Ritchie* v. *Chesebrough,* for example, where a newcomer engaged in "intentional imitation" this factor was considered to raise a presumption of confusion. 281 F.2d at 760.

Similarly, in *AMP* v. *Foy,* the reference to avoiding all possibility of confusion was in the context of the court's discussion of the weight to be given defendant's prior knowledge of plaintiff's mark. The court noted the principle that the "intent to exploit the goodwill of an already regis-

tered trademark creates a presumption of a likelihood to confuse". 540 F.2d at 1186. The court went on to quote the Second Circuit in *Ritchie* which in turn quoted the Seventh Circuit in *Searle* as examples of authority placing "considerable emphasis upon defendant's knowledge of plaintiff's prior use". *Id.* at 1186, n. 11 and 1187.

Likewise, in *Northam Warren* v. *Universal Cosmetic,* the reference to avoiding all possible confusion was in the context of the court's determination that defendant "hope[d] that benefit might accrue from the similarity" to plaintiff's mark. 18 F.2d at 775.

Clearly, the standard of likelihood of confusion does not vary among the circuits. What may vary is the degree of weight given to certain relevant facts, such as the newcomer's knowledge of and intent to exploit the similarity with a well known mark.*

The principle that the legal standard of likelihood of confusion remains constant, regardless of the status of the particular infringer, was recognized by Chief Judge Brown, in the opinion below:

> "Of course, the alleged infringer's newcomer status, and particularly his knowledge of the trademark owner's prior use, are relevant factors in determining the question of likelihood of confusion. They do not, however, change the legal standard." (Petition 9a, n. 6).

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* A further flaw in World Carpets' Petition is the totally erroneous and unsupported assertion that Armstrong was found to be a "newcomer" to the tufted carpet industry and to use of the word "World". (Petition, p. 7). On the contrary, the Court below specifically recognized Armstrong's past history of using the term "World" as part of the names Indoor World and Pacific World, as well as its decade of activities specifically in the tufted carpet field (Petition 2a-3a). Indeed, by the time of Armstrong's selection of the company name, Armstrong World Industries, Inc., it had become one of the largest producers of carpet (Petition 3a). There was no need to trade on World Carpets' name and there was not a scintilla of bad faith found by either the Court of Appeals or the District Court. Armstrong was in no sense found to be a "newcomer" trying to ease its entry into a field by trading upon the good name and success of a competitor.

This articulation of the unchanging legal standard by the Fifth Circuit is indeed consistent with the Second, Fourth and Seventh Circuits.

CONCLUSION

Likelihood of confusion is the governing standard in all the Circuits. There simply is no conflict as to the legal test. Nor as a factual matter is Armstrong a "newcomer".

The Petition for a Writ of Certiorari should be denied.

Respectfully submitted,

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Certificate of Service

It is hereby certified that three (3) copies of the foregoing Brief for Respondent in Opposition were duly served by first class mail, postage prepaid, on the attorneys for Petitioners:

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This ..... day of September, 1979.

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